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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

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SB 778 Vehicle Laws - Liens - Electronic Recording

Chairman Kelley, Vice Chair Feldman, and members of the Finance Committee,

Senate Bill 778 is designed to improve data accuracy, reduce and prevent fraud, exchange data quickly and reduce printing, mail, and storage costs for automobile liens. SB 778 would require a lien release pertaining to a motor vehicle to be filed electronically with the Motor Vehicle Administration (MVA) within 5 business days after the credit grantor has received full payment. Maryland titles will then be held at the motor vehicle office as an electronic record.

The bill also requires (rather than authorizes) MVA to develop and implement an electronic system for recording and releasing security interests. There is a voluntary system already in place with the MVA so they currently have a process in place to record lien releases. The MVA does not oppose this legislation.

Many other states have adopted this method of recording liens including Arizona, California, Colorado, Florida, Georgia, Hawaii, Idaho, Kansas, Louisiana, Massachusetts, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Texas, Utah, Virginia, Washington, and Wisconsin. I respectfully request a favorable report on Senate Bill 778.